

Message Text

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15

ACTION OES-06

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FM AMEMBASSY TOKYO

TO ERDA GERMANTOWN MARYLAND

ERDA WASHDC

INFO SECSTATE WASHDC 3713

C O N F I D E N T I A L TOKYO 17209

ERDA FOR HELFRICH

SECSTATE FOR BENGLES DORF

E. O. 11652: GDS

TAGS: TECH, JA

SUBJ: TRIP REPORT OF YASUNAGA AND IWABA TO WASHINGTON

1. SUMMARY. S. IWABA, CHIEF MATERIALS SECTION, JAPCO, VISITED ERDA REF NOVEMBER 18 TO DISCUSS IMPRESSIONS FROM RECENT TRIP TO U.S. AND PROVIDE EMBASSY WITH TRIP REPORT. ESSENCE OF IWABA RECOMMENDATIONS TO JAPANESE UTILITIES WAS THAT THEY SHOULD POSTPONE SIGNING BNFL AND COGEMA CONTRACTS UNTIL USG POLICY BETTER DEFINED AND U.S. CAN MAKE DEFINITE STATEMENTS REGARDING ECONOMICS AND SAFEGUARDS, OF PU RECYCLE AND DEFINITE COMMITMENTS AS TO U.S. REPROCESSING ATTITUDE TOWARD JAPANESE. END SUMMARY.

2. IWABA MUCH INFLUENCED BY NEW U.S. POSITION, UPON RETURN TO TOKYO MET WITH HEADS KANSAI, TEPCO, MOFA, STA TO STRONGLY RECOMMEND THAT JAPANESE UTILITIES SHOULD EITHER POSTPONE SIGNING CONTRACT OR MAKING DEFINITE COMMITMENT WITH BNFL AND COGEMA UNTIL US POSITION ON: A) TOKAI-MURA, B) REPROCESSING OF U.S. ORIGIN SPENT FUEL NAILED DOWN.

3. IWABA CONCERNED ABOUT SPENT FUEL STORAGE PROBLEM BUT MORE CONFIDENTIAL

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CERNED ABOUT PU STORAGE IN JAPANESE UTILITY HANDS IF SPENT FUEL

REPORCESSED AND PU RETURNED TO UTILITIES.

4. IWABA STATED HIS OWN BELIEF THAT, AS WIDELY REPORTED IN NEWSPAPERS HERE, U.S. DOES IN FACT SEEK COMMERCIAL ADVANTAGE. EMBOFF SOMEWHAT SHOOK UP TO HEAR THIS FROM IWABA BUT GOT SAME ANSWER TO QUESTION WHEN REPEATED.

5. BNFL AND COGEMA ARE NEGOTIATING FOR UNRETURNABLE PAYMENT FROM JAPANESE IN CASE JAPANESE SHOULD LATER WISH TO BACK OUT OF AGREEMENT SHOULD FINAL U.S. POLICY BE UNFAVORABLE. NEITHER GOJ NOR JAPANESE BANKERS, HOWEVER, WILL AGREE TO SUCH ARRANGEMENT. IWABA PREDICTION IS THAT CURRENT NEGOTIATIONS WILL BE STALLED FOR SOME PERIOD OF TIME.

6. IWABA INDICATED THAT TEPCO IN POSITION WHERE IT MUST PROTECT VERY LARGE NUCLEAR ENERGY INVESTMENT AND CANNOT TAKE CHANCES ON RELATIONSHIP WITH U.S. WENT ON TO SAY THAT, IN SPITE OF MANY STATEMENTS TO CONTARY, JAPAN WOULD SERIOUSLY CONSIDER REGIONAL NUCLEAR FUEL CYCLE COOPERATION WITH TAIWAN AND KOREA (TOKYO 16610) IF U.S.-JAPAN RELATIONSHIP SHAKY AND U.S. DESIRED.

7. STARTUP OF THE TOKAI-MURA REPROCESSING PLANT COULD BE IN CONJUNCTION WITH U.S. IWABA (WHO IS IN JAPCO, NOT PNC) STATED, OF IF U.S. SO DESIRED START UP COULD BE POSTPONED.

8. IWABA INDICATED THAT WHILE IPPONMATSU HAD LONG MAINTAINED PU RECYCLE ECONOMICALLY IMPORTANT, IPPONMATSU INFLUENCE ON WANE SINCE ERG DEMISE, SO OPINION NO LONGER AS INFLUENTIAL AS BEFORE.

9. IWABA CONCLUDED BY POINTING OUT THAT JAPAN SECOND REPROCESSING PLANT NOW IN QUESTION. URGENTLY REQUESTS USG TEAM VISIT TO JAPAN TO DISCUSS U.S. POSITION, EVEN IF NOT YET WELL CRYSTALLIZED, WITH JAPANESE.

10. TEXT OF IWABA TRIP REPORT FOLLOWS IN SEPTTEL.
HODGSON

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